U.S. Securities and Exchange Commission

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

INVESTMENT ADVISERS ACT OF 1940
Release No. 1811 / August 2, 1999

ADMINISTRATIVE PROCEEDING
File No. 3-9953

In the Matter of Energy Equities Inc. and David G. Snow Respondent.	ORDER INSTITUTING PROCEEDDINGS PURSUANT TO SECTIONS 203(e), 203(f) AND 203(k) OF THE INVESTMENT ADVISERS ACT OF 1940, MAKING FINDINGS, AND IMPOSING REMEDIAL SANCTIONS AND A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940 ("Advisers Act") against Respondents Energy Equities, Inc. ("EEI") and David G. Snow ("Snow) (the "Respondents").

In anticipation of the institution of these administrative proceedings, Respondents have submitted a joint Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings herein, except that Respondents admit the Commission's jurisdiction over them and over the subject matter of these proceedings, Respondents have consented to the entry of the findings and the imposition of the remedial sanctions and cease-and-desist order as set forth below.

II.

On the basis of this Order and the Offer submitted by Respondents, the Commission finds that:

A. EEI (No. 801-41472), a New Jersey corporation, was registered as an investment adviser under the federal

securities laws between May 1992 and June 1, 1998. On June 1, 1998, EEI withdrew its federal registration pursuant to Section 203(h) of the Advisers Act and Rule 203-2 thereunder.

B. Snow is a resident of Wayne, New Jersey, and is the president and sole owner and employee of EEI.

C. Since 1996, EEI has written and published approximately 50 analyst reports covering at least 13 issuers, most of whom are involved in the oil, mineral, and mining industries. These reports included reports recommending the purchase of the securities of Naxos Resources Ltd. ("Naxos") and Solv-Ex Corporation ("Solv-Ex"). EEI sends the reports directly to its clients, most of whom are institutional investors, such as mutual funds and money managers.

D. On March 1, 1995, Naxos, a Canadian public company, contracted to pay Snow a finder's fee equal to five percent of funds invested by persons Snow introduced to Naxos who participated in a private placement or other new financing. Between April 1995 and August 1997, Snow introduced investors to Naxos who invested a total of $528,803. Naxos paid Snow $5,190 in 1995 and $21,250 in 1997, for a total finder's fee of $26,440. Further, on March 28, 1995, Naxos issued to Snow a two-year option for 50,000 shares of Naxos stock in exchange for Snow's agreement to introduce the company to investors.

E. Snow bought and sold Naxos and Solv-Ex stock during the period that EEI recommended those stocks to its clients. In 1995, Snow accumulated in excess of 130,000 shares of Naxos stock through private placement and market purchases. Between January 30 and March 13, 1996, Snow purchased 2,300 shares of Solv-Ex stock on the open market.

F. EEI made no disclosure in any reports recommending securities to clients or prospective clients with respect to the receipt or possible receipt by EEI or a related person of finder's fees or other compensation from issuers, the securities of which EEI recommended. Moreover, EEI and Snow never amended EEI's Form ADV to disclose such information.

G. EEI's Form ADV filed in 1992, its initial report on Naxos dated February 1, 1995, and some of its reports recommending securities, contained general disclosure that EEI may have a position in and may buy or sell securities it recommends at any time. Such disclosure, however, did not appear in other reports recommending the purchase of securities that EEI through Snow distributed between February 1996 and March 1998, in particular, the reports recommending securities of Naxos and Solv-Ex.

H. By virtue of the conduct described above, EEI willfully violated and Snow caused and willfully aided and abetted

violations of Section 206(2) of the Advisers Act. Section 206 (2) prohibits an investment adviser from engaging in any transaction, practice, or course of business which operates as a fraud or deceit upon any client or prospective client. The finder's fees that Snow received from Naxos created a conflict of interest that should have been disclosed in EEI's securities recommendations. Moreover, EEI should have disclosed in its securities recommendations that EEI or a related person may own and trade securities recommended by EEI.

I. EEI's Form ADV, filed on May 7, 1992, contained a "no" answer to Part II, Item 13.A., which asks: "Does the applicant or a related person . . . have any arrangements . . . where it . . . is paid cash by or receives some economic benefit . . . from a non-client in connection with giving advice to clients?" This answer became false in 1995 when Snow agreed to be a finder for Naxos for compensation. The false answer remained in EEI's Form ADV until it withdrew its registration in 1998.

J. EEI filed with the Commission an annual report on Form ADV-S on March 13, 1996 ("Form ADV-S").[1] In filing its Form ADV-S, EEI represented that its Form ADV remained accurate and that no amendment to its Form ADV was required. During the time that Snow had an undisclosed finder's fee arrangement with Naxos, that representation was false. Snow prepared and signed EEI's Form ADV-S.

K. By virtue of the conduct described in Section II. I., EEI willfully violated Section 204 of the Advisers Act and Rule 204-1 thereunder, and Snow caused and willfully aided and abetted those violations. Section 204 of the Advisers Act and Rule 204-1 require amendment of Forms ADV by investment advisers if the response to certain items becomes inaccurate in a material manner. EEI failed to amend its Form ADV after its response to Item 13.A. of Part II became inaccurate. The fact that Snow had a finder's fee agreement with an issuer, the securities of which EEI recommended, was a material conflict of interest that should have been disclosed.

L. By virtue of the conduct described in Section II. J., Snow and EEI willfully violated Section 207 of the Advisers Act. Section 207 makes it unlawful for any person willfully to make any untrue statement of material fact in any registration application or report filed with the Commission or willfully to omit to state in any such application or report any material fact required to be stated therein. Pursuant to Rule 204-1(d), Form ADV-S was a "report" within the meaning of Section 207.[2] EEI and Snow violated Section 207 by filing false Forms ADV-S.

III.

In view of the foregoing, the Commission deems it appropriate and in the public interest to accept the Offer submitted by Respondents and to

impose the sanctions specified therein.

Accordingly, IT IS ORDERED that:

A. Pursuant to Sections 203(e) and 203(f) of the Advisers Act, Respondents be, and they hereby are, censured;

B. Pursuant to Section 203(k) of the Advisers Act, Respondents cease and desist from committing or causing any violation or future violation of Sections 206(2), 204 and 207 of the Advisers Act and Rule 204-1 thereunder;

C. Within thirty (30) days of the entry of this Order, Respondents shall together pay a civil money penalty in the amount of $15,000 to the United States Treasury. Such payment shall be (1) made by United States postal money order, certified check, bank cashier's check or bank money order; (2) made payable to the Securities and Exchange Commission; (3) hand-delivered or mailed to the Office of the Comptroller, U.S. Securities and Exchange Commission, Operations Center, 6432 General Green Way, Stop 0-3, Alexandria, VA 22312; and (4) submitted under cover letter which identifies EEI and Snow as the Respondents in these proceedings, the file number of these proceedings, a copy of which cover letter and money order or check shall be sent to Donald M. Hoerl, Associate Regional Administrator, Securities and Exchange Commission, Denver Regional Office, 1801 California Street, Suite 4800, Denver, Colorado 80202.

By the Commission.

Jonathan G. Katz
Secretary

Footnotes

1 Prior to December 27, 1996, Rule 204-1(c) required that each registered investment adviser file an annual report on Form ADV-S.

1 Effective December 27, 1996, the Commission stayed paragraph (c) of Rule 204-1 and suspended the use of Form ADV-S pending rule making. See Investment Advisers Act Rel. No. 1602 (Dec. 20, 1996).

http://www.sec.gov/litigation/admin/IA-1811.htm

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Release No. 7887, Release No. 43248, Release No. 33-7887, Release No. 34-43248, 73 S.E.C. Docket 426
(Cite as: 2000 WL 1253814 (S.E.C. Release No.))

Securities and Exchange Commission (S.E.C.)
***1** Securities Act of 1933
Securities Exchange Act of 1934

IN THE MATTER OF: SCOTT ESKEW, RESPONDENT.
Administrative Proceeding File No. 3-10278
September 6, 2000

ORDER INSTITUTING PUBLIC PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND IMPOSING CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public cease-and-desist proceedings be, and they hereby are, instituted pursuant to Section 8A of the Securities Act of 1933 ("Securities Act") and Section 21C of the Securities Exchange Act of 1934 ("Exchange Act") against Scott Eskew ("Eskew").

II.

In anticipation of the institution of these administrative proceedings, Eskew has submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, Eskew admits the jurisdiction of the Commission over him and the subject matter of these proceedings and consents to the issuance of this Order Instituting Public Proceedings Pursuant to Section 8A of the Securities Act of 1933 and Section 21C of the Securities Exchange Act of 1934, Making Findings, and Imposing Cease-and-Desist Order ("the Order"), without admitting or denying the Commission's findings, except for those contained in Paragraph III.A below, which are admitted.

III.

On the basis of this Order and Eskew's Offer, the Commission finds [FN1] the following:

RESPONDENT

A. Scott Eskew, age 39, of West Palm Beach, Florida, was the managing officer and sole employee of Eskew & Associates Financial Group, Inc. ("Eskew & Associates").

FACTS

B. Eskew permitted his company's name, Eskew & Associates, to be portrayed as the author of a research report on a small, publicly-traded company. The research report claimed, among other things, that the subject company had significantly expanded during the previous year due to acquisitions. When the research report was published on the Internet, the report was described as the product of an independent research analyst.

C. The research report, as published, was false and misleading. The company that was the subject of the report had not significantly expanded by acquisitions during the previous year, as was claimed in the report. In addition, the research report was not the product of an independent research analyst. Eskew was not independent; he was paid by the subject company to act as its investor-relations contact. Moreover, Eskew and his company were not even responsible for preparing the initial or final draft of the research report. Indeed, Eskew was not even a research analyst and had never before published a research report.

D. Although Eskew relied upon his several years of personal experience in the underlying business, Eskew did not perform any research on the company promoted by the research report before allowing his own company's name to be used on the research report. Moreover, he failed to verify whether the statements made in the report, as published, were true and failed to review the final language of the report.

***2** E. Eskew knew, or was reckless in not knowing, that the research report would be used to promote the securities of the company that was the subject of the research report.

VIOLATIONS

F. Eskew committed violations of Section 17(a)(1) of the Securities Act, directly and indirectly, using the means and instruments of transportation or communication in interstate commerce and using the mails, in the offer and sale of securities, by employing devices, schemes, and artifices to defraud, as more particularly described in Paragraphs B though E above.

G. Eskew committed violations of Sections 17(a)(2) and 17(a)(3) of the Securities Act, directly and indirectly, using the means and instruments of transportation or communication in interstate commerce and using the mails, in the offer and sale of securities, by: (1) obtaining money and property by means of untrue statements of material fact and omitting to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and, (2) engaging in transactions, practices, and a course of business which operated as a fraud or deceit upon purchasers of securities, as more particularly described in Paragraphs B though E above.

H. Eskew committed violations of Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, directly and indirectly, using the means and instrumentalities of interstate commerce and using the mails, in connection with the purchase and sale of securities, by: (1) employing devices, schemes, and artifices to defraud, (2) making untrue statements of material facts and omitting to state

material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and (3) engaging in acts, practices, and a course of business which operated as a fraud or deceit upon purchasers of securities, as more particularly described in Paragraphs B though E above.

IV.

Based on the foregoing, the Commission deems it appropriate to accept the Offer of Eskew, and accordingly:

IT IS HEREBY ORDERED, pursuant to Section 8A of the Securities Act and Section 21C of the Exchange Act, that Eskew cease and desist from committing or causing any violation and any future violation of Section 17(a) of the Securities Act and Section 10(b) of the Exchange Act and Rule 10b-5 thereunder.

By the Commission.

Jonathan G. Katz
Secretary

FN1. The findings herein are made pursuant to Eskew's Offer and are not binding on any other person or entity in this or any other proceeding.

Release No. 7887, Release No. 43248, Release No. 33-7887, Release No. 34-43248, 73 S.E.C. Docket 426, 2000 WL 1253814 (S.E.C. Release No.)

END OF DOCUMENT

U.S. Securities and Exchange Commission
Washington, D.C.

LITIGATION Release No. 16842 / December 27, 2000

Securities and Exchange Commission v. John Westergaard, et al., U.S. District Court for the Southern District of New York (Civil Action No. 00 Civ.9776)

SEC NAMES WESTERGAARD, TWO ENTITIES IN INTERNET TOUTING CASE

The Commission today sued John Westergaard, Westergaard.com, Inc., and Westergaard Broadcasting Network.com, Inc. (collectively WCI or defendants) for broadly disseminating on the Internet and through press releases purportedly "independent" analysis of publicly-traded securities when in fact defendants had been paid to publish that analysis. The complaint alleges that the defendants charged small-cap publicly traded companies up to $48,000 to publish positive reports about them that were disseminated through three media: press releases, an Internet radio show, and an Internet website. The complaint also alleges that Westergaard misled prospective investors by falsely claiming the analysis was "independent," and that all the defendants failed to comply with mandatory requirements to disclose compensation received in connection with the publication of securities analysis, in violation of Section 17(b) of the Securities Act of 1933. As alleged in the complaint:

- WCI widely disseminated press releases to draw attention to its positive analysis of companies. WCI received compensation from four issuers that were the subject of five such press releases. Each of these favorable press releases, failed to disclose that WCI was paid to publicize the issuers' securities. Two of the press releases included the false claim that the research was "independent."

- Westergaard interviewed executives of five client companies on a weekly radio show he hosted known as "Johnny Dot.com," that was broadcast on an Internet radio station featuring investment-oriented programming. The interviews presented favorable views of the companies and their prospects. Westergaard did not disclose on the radio show broadcasts the compensation the companies had paid.

- The full text of the analysis was disseminated through an Internet site called Westergaard Broadcasting Network, or WBN, that Westergaard founded, and served as publisher and editor-in-chief. During a prior Commission inquiry into Westergaard's disclosure of the amount of compensation received from issuers covered on the Internet site, Westergaaard added the required compensation disclosure to his web site. On or about April 14, 2000, after he was notified that that

inquiry was closed, Westergaard deleted the amount of compensation from his disclosure. Thereafter, he continued to publish analyses of six companies for which WCI received compensation, and a seventh that had agreed to pay in the future.

Simultaneously with the filing of the Complaint, Westergaard.com, Inc. and Westergaard Broadcasting Network, Inc. settled the charges against them by consenting, without admitting or denying the Commission's allegations, to the entry of an order permanently enjoining them from violating Section 17(b) of the Securities Act.

As to John Westergaard, the Complaint seeks a permanent injunction against violations of Section 17(b) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5 thereunder, and civil penalties.

http://www.sec.gov/litigation/litreleases/lr16842.htm

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U.S. Securities and Exchange Commission

U.S. Securities and Exchange Commission
Washington, D.C.

LITIGATION Release No. 17192 / October 16, 2001

Securities and Exchange Commission v. John Westergaard, et al., U.S. District Court for the Southern District of New York (Civil Action No. 00-9776) (DAB)

SEC SETTLES INTERNET TOUTING CASE AGAINST JOHN WESTERGAARD

On October 11, 2001, the Honorable Deborah A. Batts entered a Final Judgment by consent concluding the Securities and Exchange Commission's litigation against John Westergaard. The Commission's complaint, filed on December 27, 2000, alleged that Westergaard and his companies, Westergaard.com, Inc. and Westergaard Broadcasting Network.com, Inc., violated Section 17(b) of the Securities Act by failing to fully disclose the compensation they received to promote issuers. The complaint further alleged that John Westergaard violated Section 10(b) of the Exchange Act and Rule 10b-5 thereunder by falsely claiming his Internet site provided "independent" analysis.

According to the complaint, John Westergaard and his companies were promoting issuers on web pages called "cyberstations," in press releases describing the company's coverage of issuers on the web site, and in Internet radio-broadcast interviews of officers of issuers. The complaint alleged that the press releases and Internet radio broadcasts referenced the web site, but failed to disclose that issuers paid Westergaard.com to promote their securities. It also alleged that the web site itself failed to identify the amount of compensation issuers paid.

Without admitting or denying the Commission's allegations, Westergaard consented to the entry of a permanent injunction against future violations of Section 17(b) of the Securities Act. The Court did not impose a civil penalty on Westergaard based on his sworn Statement of Financial Condition. Westergaard.com, Inc. and Westergaard Broadcasting Network, Inc. previously settled the charges against them by consenting, without admitting or denying the Commission's allegations, to the entry of an order permanently enjoining them from violating Section 17(b) of the Securities Act. See Lit. Rel. 16842 (December 27, 2000).

http://www.sec.gov/litigation/litreleases/lr17192.htm

U.S. Securities and Exchange Commission

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 7956 / February 28, 2001
ADMINISTRATIVE PROCEEDING
File No. 3-10433

In the Matter of Stuart Bockler and Imcadvisors, Inc. Respondents.	ORDER INSTITUTING PUBLIC PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933, MAKING FINDINGS, AND IMPOSING A CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate that public cease-and-desist proceedings against Stuart Bockler ("Bockler") and Imcadvisors, Inc.(collectively "Respondents"), be initiated, pursuant to Section 8A of the Securities Act of 1933 ("Securities Act").

In anticipation of the institution of these proceedings, Respondents have submitted an Offer of Settlement ("Offer"), which the Commission has determined to accept. Solely for the purpose of these proceedings and any other proceedings brought by or on behalf of the Commission or in which the Commission is a party, and without admitting or denying the findings set forth herein, except that Respondents admit the Commission's jurisdiction over them and over the subject matter of these proceedings, Respondents have consented to the entry of this Order Instituting Public Proceedings Pursuant to Section 8A of the Securities Act of 1933, Making Findings, and Imposing a Cease-and-Desist Order ("Order") and to the entry of the cease-and-desist order set forth below.

II.

On the basis of this Order and the Offer submitted by Respondents, the Commission finds that:

A. Bockler, age 48 and a resident of Morganville, New Jersey, is the

president of Imcadvisors, Inc. and at all times relevant herein operated and controlled Imcadvisors, Inc.

B. Imcadvisors, Inc. (f/k/a/ International Market Call, Inc.) is in the business of producing and distributing investment analysis reports to institutional investors and the investing public. Starting in approximately 1999, Imcadvisors, Inc., started to distribute its investment analysis reports on the Internet and to operate an Internet website located at *www.imcadvisors.com*.

C. From September 30, 1999, through October 8, 1999, Respondents violated Section 17(b) of the Securities Act in that, by use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, Respondents published, gave publicity to, or circulated notices, circulars, advertisements, newspapers, articles, letters, investment services, or communications which, though not purporting to offer a security for sale, described such security for a consideration received or to be received, directly or indirectly, from an issuer, underwriter, or dealer, without fully disclosing the receipt, whether past or prospective, of such consideration and the amount thereof.

D. As part of and in furtherance of the conduct described above, Respondents:

1. Caused to be published and distributed on the Internet an investment analysis report entitled "*British E-Commerce, **B2B** or Not **B2B**, That's the Question?*," which described and recommended the purchase of the common stock of an issuer, Internet Solutions for Business ("ISFB"), whose common stock was quoted at the time on the Over-The-Counter Bulletin Board;

2. Caused to be published and distributed on the Internet an investment analysis report entitled "*Europe focus on boom in Business to Business, **B2B** or Not **B2B**, That is the Question?*," which described and recommended the purchase of the common stock of ISFB;

3. Received, directly or indirectly, from ISFB, a payment of 12,500 shares of common stock of ISFB as reimbursement for the publication and distribution of the investment analysis reports described above; and

4. Failed to fully disclose the nature and amount of compensation received from ISFB for publication and distribution of the ISFB investment analysis reports.

III.

In view of the foregoing, the Commission finds that it is appropriate to impose the sanctions specified in the Offer.

Accordingly, IT IS HEREBY ORDERED, pursuant to Section 8A of the Securities Act, that Respondents, Stuart Bockler and Imcadvisors, Inc., cease-and-desist from committing or causing any violation and any future violation of Section 17(b) of the Securities Act.

By the Commission.

Jonathan G. Katz
Secretary

http://www.sec.gov/litigation/admin/33-7956.htm

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U.S. Securities and Exchange Commission

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITIES ACT OF 1933
Release No. 8002 / September 10, 2001

SECURITIES EXCHANGE ACT OF 1934
Release No. 44780 / September 10, 2001

ADMINISTRATIVE PROCEEDING
File No. 3-10569

In the Matter of LOUIS P. REAMES, Sr. Respondent.	ORDER INSTITUTING PUBLIC PROCEEDINGS PURSUANT TO SECTION 8A OF THE SECURITIES ACT OF 1933 AND SECTIONS 15(b)(6) AND SECTION 21C OF THE SECURITIES EXCHANGE ACT OF 1934, MAKING FINDINGS, AND ISSUING CEASE-AND-DESIST ORDER

I.

The Securities and Exchange Commission ("Commission") deems it appropriate and in the public interest to institute public administrative proceedings against Respondent Louis Phillips Reames, Sr. ("Reames") pursuant to Section 8A of the Securities Act of 1933 ("Securities Act"), and Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934 ("Exchange Act").

In anticipation of the institution of these administrative proceedings, Reames has submitted an Offer of Settlement ("Offer"), which the Commission has determined that it is in the public interest to accept. Solely for the purpose of this proceeding and any other proceeding brought by or on behalf of the Commission or to which the Commission is a party, prior to a hearing and without admitting or denying the findings contained herein, except that he admits the jurisdiction of the Commission over him and over the subject matter of these proceedings, Reames consents to the issuance of this Order Instituting Proceedings Pursuant to Section 8A of the Securities Act of 1933, and Sections 15(b)(6) and 21C of the Securities Exchange Act of 1934, Making Findings, and Issuing a Cease-and-Desist Order ("Order") and to the entry of the findings and the issuance of a cease and desist order as set forth below.

II.

Accordingly, IT IS ORDERED that said proceedings be, and hereby are, instituted.

III.

On the basis of this Order and the Offer, the Commission finds the following:[1]

A. Respondent

Louis Phillips Reames, Sr., 57, ("Reames" or "Respondent") was a registered representative associated with Argent Securities, Inc. ("Argent"), a now-defunct broker-dealer. In addition, as chairman of Argent's board, Reames oversaw Argent's investment banking functions during the relevant period. In 1996, Reames entered into a financial consulting agreement with Swisher International, Inc. ("SII") on behalf of Argent. Reames is currently a registered representative associated with the broker-dealer, Auerbach, Pollack & Richardson, Inc.

B. Relevant Entities

Argent Securities, Inc., a Georgia broker-dealer, was registered with the Commission until it ceased operations and submitted a Form BDW terminating its registration effective December 12, 1999. During the period relevant to this action, Argent was a market maker for SII securities, and served as a consultant to SII.

Swisher International, Inc., a Nevada corporation headquartered in Charlotte, NC, is in the business of franchising commercial and residential hygiene services. Following its initial public offering in 1993, SII registered with the Commission pursuant to Section 12(g) of the Exhange Act. Its common stock traded on the NASDAQ from April 1993 to May 1998 under the symbol SWSH and currently trades on the OTC bulletin board. On April 28, 2000, SII filed a Form 15 terminating its registration with the Commission pursuant to Exchange Act Rule 12(g)(4), and is no longer required to file periodic reports with the Commission.

C. Respondent's Conduct

In 1996, SII retained Argent to provide various financial consulting services. Reames negotiated and signed an August 23, 1996 consulting agreement memorializing the arrangement. The agreement expressly stated that Argent "shall provide research reports of the company," in addition to other investor-relation services. In exchange for such services, SII promised to pay Argent a total of 100,000 warrants to purchase SII common stock. SII agreed to provide 50,000 of the 100,000 warrants, at $5.50 per share, and to redirect the remaining 50,000 warrants-25,000 at $5.50 per share and 25,000 at $6.50 per share-from another financial consulting firm SII had retained to provide similar services. In addition, SII contracted to pay Argent "$5,000 for a total of $20,000 payable on the first day of February, 1997 and continuing for the next three months ending May 1, 1997." Argent ultimately received 39,100 SII warrants and SII made at least one $5,000 payment when the consulting agreement

was rescinded in April 1997-well after Argent issued two buy recommendations for SII stock.

In 1996, Argent published the first of two research reports recommending the purchase of SII common stock. Reames reviewed and edited that report, and had final authority over its issuance. Reames, also reviewed and approved the issuance of a second buy recommendation dated February 20, 1997. Argent distributed the reports throughout the investor community, as well as to its own brokers who purchased SII stock on behalf of hundreds of Argent's retail clients. Both reports failed to disclose the specific compensation that SII had promised to pay Argent. Rather, the reports simply state that, "from time to time, [Argent], and or its officers may have a long or short position in the securities mentioned in this report."

IV.

Legal Discussion

Section 17(b) of the Securities Act makes it unlawful for any person to publish or circulate any notice, circular, or other communication describing a security without disclosing the nature and substance of any consideration, whether present or future, direct or indirect, received from an issuer, underwriter or dealer. The Respondent committed or caused a violation of Section 17(b) by approving, and authorizing the issuance of the September 16, 1996 and the February 20, 1997 research reports, without disclosing, or ensuring that Argent disclosed, the fact that SII had paid Argent cash and had promised it warrants to prepare the reports. See In the Matter of RCG Capital Markets Group, Inc., Securities Act Release No. 7689 (June 11, 1999); In the Matter of TKO Int'l, Inc., Securities Act Release No. 7650 (February 26, 1999).

V.

Based on the foregoing, the Commission finds that Respondent Louis Phillips Reames, Sr. willfully[2] aided and abetted, and committed or caused, a violation of Section 17(b) of the Securities Act.

Respondent has submitted a sworn financial statement and other evidence and has asserted his financial inability to pay a civil penalty. The Commission has reviewed the sworn financial statement and other evidence provided by Respondent and has determined that Respondent does not have the financial ability to pay a civil penalty.

VI.

In view of the foregoing, the Commission deems it appropriate and in the public interest to accept the Offer of Settlement of Respondent Louis Phillips Reames, Sr.

IT IS HEREBY ORDERED, pursuant to Section 8A of the Securities Act, that Respondent Louis Phillips Reames, Sr. cease and desist from committing or causing any violation and any future violation of Section 17(b) of the Securities Act; and

IT IS FURTHER ORDERED that the Division of Enforcement ("Division") may, at any time following the entry of this Order, petition the Commission to: (1) reopen this matter to consider whether Respondent provided accurate and complete financial information at the time such representations were made; (2) determine the amount of the civil penalty to be imposed; and (3) seek any additional remedies that the Commission would be authorized to impose in this proceeding if Respondent's offer of settlement had not been accepted. No other issues shall be considered in connection with this petition other than whether the financial information provided by Respondent was fraudulent, misleading, inaccurate or incomplete in any material respect, the amount of civil penalty to be imposed and whether any additional remedies should be imposed. Respondent may not, by way of defense to any such petition, contest the findings in this Order or the Commission's authority to impose any additional remedies that were available in the original proceeding.

By the Commission.

Jonathan G. Katz
Secretary

Footnotes

1 The findings herein are made pursuant to the Respondent's Offer of Settlement and are not binding on any other person or entity in this or any other proceeding.

2 "Willfully" as used in this Order means intentionally committing the act which constitutes the violation, see Wonsover v. SEC, 205 F.3d 408, 414 (D.C. Cir. 2000); Tager v. SEC, 344 F.2d 5, 8 (2d Cir. 1965).

http://www.sec.gov/litigation/admin/33-8002.htm